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Calendar No. 371

101ST CONGRESS
1st Session

SENATE

REPORT
101-199

LAKE MEREDITH SALINITY CONTROL PROJECT, NEW MEXICO AND TEXAS

NOVEMBER 13 (legislative day, NOVEMBER 6), 1989.—Ordered to be printed

Mr. JOHNSTON, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 486]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 486) to authorize the Secretary of the Interior to construct and test the Lake Meredith Salinity Control Project, New Mexico and Texas, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

The amendments are as follows:

1. On page 4, line 6, strike "Secretary." and insert:

> Secretary: *Provided, however,* That upon termination of construction pursuant to this section, the Canadian River Municipal Water Authority shall reimburse to the Secretary of the Interior a sum equal to 67 percent of all costs incurred by the Secretary in project verification, design and construction management, reduced by any sums previously paid by the Authority to the Secretary for such purposes. Upon such termination, the United States is under no obligation to complete the project as a nonreimbursable development.

2. On page 4, line, 7, strike "(b)" and insert in lieu thereof "(c)".

3. On page 4, line 10, after the word "Authority," insert the following: "and reimbursement of Federal costs pursuant to subsection 4(b) of this Act".

4. On page 4, line 23, strike section 5 in its entirety and insert in lieu thereof:

S313-41

SEC. 5. AUTHORIZATION.

There is hereby authorized to be appropriated to carry out the provisions of this Act the sum of $3,000,000 (October 1989 price levels), plus or minus such amounts, if any, as may be required by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein.

5. On page 4, line 9, insert a new section 6 as follows:

SEC. 6. WETLANDS INVENTORY AND REPORT.

(a) The Secretary of the Interior is directed to inventory all wetlands on Federal lands or interests therein owned by or withdrawn for the use of the Bureau of Reclamation and, to the extent practicable, other Federal lands associated with Reclamation projects. As part of the inventory, the Secretary shall make an initial determination of the value of such wetlands for purposes such as, but not limited to, recruitment and survival of waterfowl and other wetland dependent species, flood control, water quality, and sedimentation control.

(b) In assessing the value of the wetlands for recruitment and survival of waterfowl and other wetland dependent species, the Secretary shall consider, among other things, the presence of factors supporting abundant and diverse wetland ecosystems, including, but not limited to:

(1) high primary productivity and functioning food chains;

(2) seasonal values for waterfowl breeding, nesting, staging and wintering; and

(3) protection from predation and disease.

(c) The Secretary shall indicate those wetland areas identified pursuant to subsection (a) of this section which also have been identified for protection or restoration pursuant to the North American Waterfowl Management Plan or by such entities as the Secretary deems appropriate.

(d) In fulfillment of this section, the Secretary is encouraged to consult with appropriate State and private entities.

(e) Not later than February 1, 1990, the Secretary shall report to the Senate Committee on Energy and Natural Resources, the Senate Committee on Appropriations, the House Committee on Interior and Insular Affairs and the House Committee on Appropriations a plan for implementation of this section, including identification of any reprogramming of funds required in fiscal year 1990 and such other resources as may be required.

(f) The Secretary shall report the results of the inventory authorized by this section to the Senate Committee on Energy and Natural Resources and the House Committee on Interior and Insular Affairs not later than December 31, 1991.".

Purpose of the Measure

The purpose of S. 486 is to authorize the Secretary of the Interior to plan and oversee construction of a project to reduce naturally occurring saline flows entering the Canadian River in New Mexico which impair water quality at Lake Meredith, a Bureau of Reclamation project in Texas.

Background and Need

S. 486 would authorize the Bureau of Reclamation to construct and test a salinity control project to reduce the salinity of Lake Meredith, Texas, which supplies water to Amarillo, Lubbock and nine other towns served by the Canadian River Municipal Water Authority. The population of the eleven cities is approximately 430,000. Lake Meredith was constructed by the Bureau of Reclamation in the mid-1960's as part of the Canadian River Project.

Salt contamination of lake water has been noted since the reservoir first went into operation. The problem appears to be worsening with time and becomes most serious during drought cycles. Chloride levels have reached 600 mg/liter, substantially in excess of the 250 mg/liter EPA recommended secondary drinking water standard. The salt contamination exacerbates a more general water supply problem at Lake Meredith. Since impoundment began in 1965, Lake Meredith has experienced a gradual decline in reservoir levels. The reservoir has a capacity of about 840,000 acre-feet, but has yet to impound more than 520,000 acre-feet and averages about 300,000 acre-feet. In 1980, Congress authorized a Bureau study of the salt contamination problem.

The Bureau's analysis, completed in 1985, indicates that the principal source (70 percent) of contamination is a natural brine aquifer that discharges into the Canadian River near Logan, New Mexico. An additional 10–15 percent of the total salt load enters the river in Texas, in an area not far above the headwaters of Lake Meredith. The Bureau's report recommends drilling wells into the saline aquifer in order to remove brine and reduce artesian pressure. The brine would be pumped to deep injection wells placed beyond the problematic, leaky aquifer. All wells would be located in New Mexico.

The Bureau of Reclamation estimates that the total cost of the salinity control project will not exceed approximately $9 million (July 1989 prices).

Involvement of the Federal Government in this case is appropriate because of the interstate character of the problem and the need to protect the Federal investment in the Lake Meredith facility. Water quality management is a major feature of the new mission of the Bureau of Reclamation.

Legislative History

S. 486 was introduced by Senator Bentsen on March 1, 1989. Senator Gramm was added as a co-sponsor on September 13. The Subcommittee on Water and Power held a hearing on S. 486 on September 14, 1989. A similar measure has been reported out of the

House Committee on Interior and Insular Affairs as one provision of H.R. 2567.

At the business meeting on November 1, 1989, the Senate Committee on Energy and Natural Resources ordered S. 486, as amended, favorably reported.

Committee Recommendations and Tabulation of Votes

The Senate Committee on Energy and Natural Resources, in open business session on November 1, 1989, by unanimous vote of a quorum present recommends that the Senate pass S. 486 if amended, as described herein.

The rollcall vote on reporting the measure was 18 yeas, 0 nays, as follows:

YEAS	NAYS
Mr. Johnston	
Mr. Bumpers	
Mr. Ford	
Mr. Metzenbaum*	
Mr. Bradley	
Mr. Bingaman*	
Mr. Wirth	
Mr. Conrad	
Mr. Heflin	
Mr. McClure	
Mr. Hatfield	
Mr. Domenici*	
Mr. Wallop*	
Mr. Murkowski	
Mr. Nickles*	
Mr. Burns	
Mr. Garn*	
Mr. McConnell	

* Indicates vote by proxy.

Committee Amendments

The first three Committee amendments would amend subsection 4(b) to provide that, if the Authority cancels construction, the Federal Government will be under no obligation to continue working or expending sums of its portion of the project and would recover from the Canadian River Municipal Water Authority its proportionate share of any funds expended.

The cost of this project will be shared between the Bureau of Reclamation, whose share will be approximately 33 percent, and the Canadian River Municipal Water Authority. The Government would be responsible for all project costs for verification, design preparation, and construction management. The Authority would meet all construction and land acquisition costs. The Authority would be responsible for operation and maintenance costs upon completion of construction and testing of the project. The majority of the Federal contribution will apply to planning and design, the earliest stages of the project. As introduced, S. 486 left open the possibility that the Authority could cancel the project before spend-

ing any significant sums itself, but after the Bureau and spent $2 million or more in fulfillment of its responsibilities. The Bureau and the project sponsors testified that this was not their intention and welcomed amendment to clarify that, in no event, would the Federal contribution exceed approximately 33 percent of the total project cost. The Committee has amended subsection 4(b) to keep the basic cost-sharing framework in place and give assurance that, if the Authority cancels construction, the Federal Government will recoup from the Authority any sums spent on the project that exceed the Government's approximate 33 percent share.

The fourth Committee amendment would amend section 5 to authorize appropriation of $3 million, the maximum anticipated Federal cost share, in lieu of the open-ended ceiling contained in the legislation as introduced.

The fifth Committee amendment would add a new section 6, directing the Secretary of the Interior to inventory all wetlands on Federal lands owned by the Bureau of Reclamation and other Federal lands associated with reclamation projects. The Committee believes that the Federal Government has significant opportunities for wetland restoration, improvement and management, especially on Federal lands or interests therein owned by the Bureau of Reclamation. The Bureau has an important responsibility to contribute the Nation's efforts to benefit wetlands and will be assisted in meeting that responsibility by the information collected under the inventory authorized by this Section.

Wetlands and the associated upland areas provide valuable habitat for fish, wildlife and other living species. Equally important, wetlands benefit, among other things, ground and surface water quality and aid in sediment and flood control. In recognition of those diverse benefits, the amendment directs the Secretary to make an initial determination of the values presently or potentially to be provided by the wetlands identified in the course of the reclamation wetland inventory. The amendment encourages the Secretary to consult with other private and public entities involved in wetland-related programs and directs the Secretary to identify those reclamation wetlands that have been targeted for protection or restoration under the North American Waterfowl Management Plan or other similar plans.

Cost and Budgetary Considerations

The following estimate of the cost of this measure has been provided by the Congressional Budget Office:

U.S. Congress,
Congressional Budget Office,
Washington, DC,November 9, 1989.

Hon. J. Bennett Johnston, Jr.,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached cost estimate for S. 486, a bill to authorize the Secretary of the Interior to construct and test the Lake Meredith Salinity Control Project, New Mexico and Texas, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely

ROBERY D. REISCHAUER, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill Number: S. 486.

2. Bill title: A bill to authorize the Secretary of the Interior to construct and test the Lake Meredith Salinity Control Project, New Mexico and Texas, and for other purposes.

3. Bill status: As ordered reported by the Senate Committee on Energy and Natural Resources on November 1, 1989.

4. Bill purpose: S. 486 would authorize the Bureau of Reclamation (BOR) to construct wells to control water salinity problems in Lake Meredith, Texas. Federal contributions to the project would be limited to 33 percent of the total project costs and the bill would authorize $3 million (at October, 1989 price levels) to cover the federal share.

This bill would also direct the Secretary of the Interior to conduct an inventory of all wetlands on federal lands or interests in land owned or withdrawn for use by BOR. By February 1, 1990, BOR would be required to report to the Congress on how the inventory would be conducted and funded. The results of the inventory would be required to be reported to the Congress by December 31, 1991.

5. Estimated costs of the Federal Government:

[By fiscal year, in millions of dollars]

	1990	1991	1992	1993	1994
Estimated authorization level	1.0	2.0			
Estimated outlays	0.8	1.8	0.4		

The costs of this bill fall within budget function 300.

Basis of estimate: For the purpose of preparing this estimate, CBO assumed that S. 486 would be enacted early in fiscal year 1990 and that appropriations would be provided as authorized beginning that year.

We estimate that the federal contribution to the Lake Meredith project would total about $3 million over the next three fiscal years.

Information from BOR indicates that a wetlands inventory is planned under current law. We estimate that it would cost about $7 million. While the inventory would probably be completed sooner under S. 486 than under current law, there would be no significant difference in cost over the 1990–1994 period.

6. Estimated costs to State and local governments: None

7. Estimate comparison: None

8. Previous CBO estimate: On November 8, 1989, CBO prepared a cost estimate for H.R. 2567, the Reclamation Projects Authorization and Adjustment Act of 1989, as ordered reported by the House Committee on Interior and Insular Affairs on November 1, 1989.

The cost estimate for Title III of H.R. 2567 was identical to this one, except for the provisions relating to the wetlands inventory.

9. Estimate prepared by: Theresa Gullo (226–2860).

10. Estimate approved by: C.G. Nuckols for James L. Blum, Assistant Director for Budget Analysis.

Regulatory Impact Evaluation

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 486. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact of personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 486, as reported.

Executive Communications

On July 17, 1989, the Committee on Energy and Natural Resources requested legislative reports from the Department of the Interior and the Office of Management and Budget setting forth executive views on S. 486. These reports had not been received at the time the report on S. 486 was filed. When the reports become available, the chairman will request that they be printed in the Congressional Record for the advice of the Senate. The testimony provided by the appropriate agency at the Subcommittee hearing follows:

Statement of Joe D. Hall, Acting Commissioner, Bureau of Reclamation, Department of the Interior, Before the Subcommittee on Water and Power, Committee on Energy and Natural Resources

Mr. Chairman, I am pleased to appear before this Committee to discuss S. 486, a bill "to authorize the Lake Meredith Salinity Control Project, New Mexico and Texas."

Because of the unique circumstances of this specific project, the Bureau of Reclamation has no objection to enactment of S. 486, if modified to require all design and construction services provided by the Bureau of Reclamation are made fully reimbursable within three years at current interest rates.

Federal involvement by providing the technical expertise of the Bureau of Reclamation in this project makes good sense. The Canadian River Project was constructed as a Federal multipurpose project. That investment, which totals more than $90 million, is jeopardized by a salinity problem that may be solved with a small Federal expenditure. Project sponsors would provide approximately 70 percent of construction costs up front. They ask only for Federal support through design and construction management expertise. Thus, the Lake Meredith Salinity Control Project is distinguishable from other single-purpose municipal and industrial projects that should be fully funded by non-Federal entities.

The rural communities served by the project constitute an important segment of the economic vitality of the Texas Panhandle. Loss of a major source of water would seriously threaten the economic base of these rural areas.

The Canadian River Project, of which Lake Meredith is a part, was constructed in the mid-1960's by the Bureau of Reclamation. In addition to providing municipal water to more than 400,000 people in the Texas Panhandle, the project also provides significant flood control, recreation, and fish and wildlife benefits. The latter benefits—multipurpose in nature—may be threatened by increasing salinity levels.

The Canadian River Municipal Water Authority (CRMWA) assumed operation and maintenance of the project in July 1968. Since then, water delivery to the 11 CRMWA member cities has been continuous, averaging about 64,000 acre-feet annually.

Since impoundment began in 1965, Lake Meredith has experienced gradually increasing levels of salinity. In an effort to resolve this problem, several communities have initiated blending processes to mix well water with Lake Meredith water to dilute the salinity. Not all communities have the available ground water to accomplish this blending and the mixing process is expensive.

In 1972, with the support of local interests and the CRMWA, Reclamation initiated an investigation of the salinity problem. Through interpretation of hydrologic and geologic data, it was concluded that much of the salt entering Lake Meredith originates from a shallow brine aquifer. A contributing factor to salinity problems has been periodic declines in the water levels at Lake Meredith.

The aquifer is under artesian pressure and forces sodium chloride brine into the Canadian River at a point near Logan, New Mexico. Reclamation believes the most cost-effective solution to the problem is the interception of the brine at the source by well pumping and disposal by deep well injection.

Environmental analysis of the approach in 1986 resulted in a finding of "No Significant Impact."

Since the source of the natural pollution is located in New Mexico, it would be necessary to construct the project features in that state.

As proposed in S. 486, the Lake Meredith Salinity Control Project would include the following conditions:

Authorize the Secretary to construct such principal features as production wells, observation wells, pipelines, pumping plants, brine disposal facilities and other appurtenant facilities to test the Lake Meredith Salinity Control Project in New Mexico and Texas.

The Bureau of Reclamation would be required to manage the design and construction management of project facilities. The Secretary is authorized to enter into a contract with the Canadian River Municipal Water Authority of Texas for such services and construction costs.

Construction woud not begin until a suitable contract has been executed by the Secretary with the Canadian River Municipal Water Authority of Texas, and until the State of New Mexico has granted the necessary permits for project facilities.

All costs of construction of project facilities would be advanced by the Canadian River Municipal Water Authority as the non-Federal contribution for implementation of this Act. These funds would be advanced on a schedule mutually acceptable to the Canadian River Municipal Water Authority and the Secretary, as necessary to meet the expenses of carrying out construction and acquisition activities.

All project costs for verification, design preparation and construction management would be nonreimbursable as the Federal contribution toward the Project. Such costs would be considered environmental enhancement costs by way of water quality improvement, and are estimated at approximately 33 percent of the total project cost.

The Secretary would be required, upon entering into a mutually acceptable agreement with the Canadian River Municipal Water Authority, and upon the availability of appropriated funds, proceed with the preconstruction planning, preparation of designs and specifications, acquired of permits, acquisition of land and rights, and award of construction contracts.

At any time following the first advance of funds by the Canadian River Municipal Water Authority, the Authority may request the Secretary to terminate activities then in progress. Such a Request would be binding upon the Secretary.

We suggest that this section 4(b) be clarified by addition of the following sentence: "Upon such termination, the United States is under no obligation to complete the project as a nonreimbursable development." This language would forestall the interpretation that the Canadian River Municipal Water Authority could unilaterally terminate the project and thereby make the United States responsible for its completion as a nonreimbursable cost.

The Secretary would be required to transfer the care, operation, and maintenance of the project works, upon completion of construction and testing, to the Canadian River Municipal Water Authority or an entity mutually agreeable to the States of New Mexico and Texas. As part of the transfer, the Secretary would be required to return unexpended funds advanced for the project, assign to the Canadian River Municipal Water Authority or entity the rights to any contract in force, convey to the Canadian River Municipal Water Authority or entity any real estate, easements, or personal property acquired with the advanced funds, and provide any data, drawings or other items of value procured with advanced funds.

Reclamation does request that at Section 3.(b), 1st line, the word "verification" be deleted. This modification will make the paragraph consistent with the remainder of the Act.

Mr. Chairman, that concludes my statement. I would be pleased to answer any questions the Committee may have.

Changes in Existing Law

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill S. 486, as reported.

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